



12-22-2003



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Form PTO-1594

(Rev. 10/02)

OMB No. 0651-0027 (exp. 6/30/2005)

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U.S. DEPARTMENT OF COMMERCE
U.S. Patent and Trademark Office

To the Honorable Commissioner of Patents and Trademarks: Please record the attached original documents or copy thereof.

1. Name of conveying party(ies):

PANGBORN CORPORATION

- ☐ Individual(s) ☐ Association
☐ General Partnership ☐ Limited Partnership
☒ Corporation-State
☐ Other _____

Additional name(s) of conveying party(ies) attached? ☐ Yes ☒ No

3. Nature of conveyance:

- ☐ Assignment ☐ Merger
☒ Security Agreement ☐ Change of Name
☐ Other _____

Execution Date: 09/25/2003

2. Name and address of receiving party(ies)

Name: LaSalle Business Credit, LLC

Internal

Address: _____

Street Address: 565 Fifth Avenue, 27th Floor

City: New York State: NY Zip: 10017

- ☐ Individual(s) citizenship _____
☐ Association _____
☐ General Partnership _____
☐ Limited Partnership _____
☐ Corporation-State _____
☒ Other Limited Liability Company

If assignee is not domiciled in the United States, a domestic
representative designation is attached: ☐ Yes ☐ No
(Designations must be a separate document from assignment)
Additional name(s) & address(es) attached? ☐ Yes ☒ No

4. Application number(s) or registration number(s):

A. Trademark Application No.(s) See attached
trademark portfolioB. Trademark Registration No.(s) See attached
trademark portfolioAdditional number(s) attached ☒ Yes ☐ No5. Name and address of party to whom correspondence
concerning document should be mailed:

Name: LaSalle Business Credit, LLC

Internal Address: _____

ATTN: Benjamin D. Horowicz, Esquire

Street Address: % Miles & Stockbridge P.C.

10 Light Street

City: Baltimore State: MD Zip: 21202

6. Total number of applications and
registrations involved: 17

7. Total fee (37 CFR 3.41).....\$ 40.00

- ☒ Enclosed
☐ Authorized to be charged to deposit account

8. Deposit account number:

DO NOT USE THIS SPACE

9. Signature.

BENJAMIN D. HOROWICZ, ESQUIRE

Name of Person Signing

Signature

11/26/03

Date

Total number of pages including cover sheet, attachments, and document: 9

Mail documents to be recorded with required cover sheet information to:
Commissioner of Patent & Trademarks, Box Assignments
Washington, D.C. 20231

12/19/2003 JFALLANE 00000012 1420926

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40.00 OP

TRADEMARK
REEL: 002883 FRAME: 0858

U.S. TRADEMARK PORTFOLIO OF PANGBORN CORPORATION

POLYBLAST	4448/66	10/18/1966	1,428,926	02/17/1987
VENTRIJET	4448/66	10/18/1966	630,848	07/17/1956
CURVANE	084,398	04/19/1976	1,072,105	08/30/1977
PANGBORNITE	159,520	12/20/1962	754,836 ¹	08/20/1963
ROTOCONDITIONER	059,338	08/01/1975	1,041,648	06/22/1976
PANGBORN	602,468	08/19/1950	557,258	04/08/1975
ROTOBLAST	602,468	08/19/1950	541,814	05/01/1951
ROTOBLAST	602,468	08/19/1950	680,244	06/16/1959
ROTOBLAST	---	09/15/1958	680,244	06/16/1959
POLYBLAST	602,468	08/19/1950	1,428,926	02/17/1987
PANGBORNITE STYLIZED	602,468	08/19/1950	754,836	08/20/1963
PANGBORN	601,561	08/01/1950	541,813	05/01/1951
PANGBORN STYLIZED	601,561	08/01/1950	567,118	11/25/1952
PANGBORN	601,561	08/01/1950	557,258	04/08/1952
PANGBORN STYLIZED	615,243	06/15/1951	559,379	05/27/1952
PANGBORN	602,468	08/19/1950	557,258	04/08/1952
PANGBORNITE STYLIZED	---	09/21/1950	559,572	06/03/1952

¹ This mark has not yet expired – it is in the grace period during which a renewal can be filed, however the Company is having the mark lapse.

TRADEMARK SECURITY AGREEMENT

THIS TRADEMARK SECURITY AGREEMENT (the "Security Agreement") made as of this 25th day of September, 2003, by PANGBORN CORPORATION, a Delaware corporation with an office at 580 Pangborn Boulevard, Hagerstown, Maryland 21741 ("Pangborn") in favor of LASALLE BUSINESS CREDIT, LLC, a Delaware limited liability company, with an office at 565 Fifth Avenue-27th floor, New York, New York 10017 ("Lender"):

W I T N E S S E T H

WHEREAS, PANGBORN SHOTBLAST, LLC, a Delaware limited liability company and Lender are parties to a certain Loan and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "Loan Agreement") and other related loan documents of even date herewith (collectively, with the Loan Agreement, and as each may be amended or otherwise modified from time to time, the "Loan Documents"), which Loan Documents provide (i) for Lender to, from time to time, extend credit to or for the account of Borrower and (ii) for the grant by Borrower to Lender of a security interest in substantially all of Borrower's assets;

WHEREAS, Pangborn and Lender are parties to a certain Guaranty and Security Agreement of even date herewith (as amended, amended and restated or otherwise modified from time to time, the "Guaranty and Security Agreement") and other related loan documents of even date herewith (collectively, with the Guaranty and Security Agreement, and as each may be amended or otherwise modified from time to time, the "Guaranty Documents"), which Guaranty Documents provide (i) that Pangborn guarantees all of the obligations and liabilities of the Borrower under the Loan Agreement and the Loan Documents and (ii) for the grant by Pangborn to Lender of a security interest in substantially all of Pangborn's assets, including, without limitation, its trademarks and trademark applications;

NOW, THEREFORE, in consideration of the premises set forth herein and for other good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Pangborn agrees as follows:

1. Incorporation of Guaranty Documents. The Guaranty Documents and the terms and provisions thereof are hereby incorporated herein in their entirety by this reference thereto. All terms capitalized but not otherwise defined herein shall have the same meanings herein as in the Guaranty and Security Agreement.

2. Grant and Reaffirmation of Grant of Security Interests. To secure the complete and timely payment and satisfaction of the Liabilities (as that term is defined in the Guaranty and Security Agreement), Pangborn hereby grants to Lender, and hereby reaffirms its prior grant pursuant to the Guaranty Documents of, a continuing security interest in Pangborn's entire right, title and interest in and to all of its now owned or existing and hereafter acquired or arising trademarks, trade names, corporate names, company names, business names, fictitious business names, trade styles, service marks, logos, other business identifiers, prints and labels on which any of the foregoing have appeared or appear, all registrations and recordings thereof, and all applications (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) in

connection therewith, including, without limitation, the trademarks and applications listed on Schedule A attached hereto and made a part hereof and the trademarks, and renewals thereof, and all income, royalties, damages and payments now or hereafter due and/or payable under or with respect to any of the foregoing, including, without limitation, damages and payments for past, present and future infringements of any of the foregoing and the right to sue for past, present and future infringements of any of the foregoing (all of the foregoing are sometimes hereinafter individually and/or collectively referred to as the "Trademarks"); and all rights corresponding to any of the foregoing throughout the world and the goodwill of the Pangborn's business connected with the use of and symbolized by the Trademarks.

3. Warranties and Representations. Pangborn warrants and represents to Lender that:

(i) to the best of Pangborn's knowledge, no Trademark has been adjudged invalid or unenforceable by a court of competent jurisdiction nor has any such Trademark been cancelled, in whole or in part and each such Trademark is presently subsisting;

(ii) Pangborn is the sole and exclusive owner of the entire and unencumbered right, title and interest in and to each Trademark, free and clear of any liens, charges and encumbrances, including without limitation, shop rights and covenants by Pangborn not to sue third persons;

(iii) Pangborn has no notice of any suits or actions commenced or threatened with reference to any Trademark; and

(iv) Pangborn has the unqualified right to execute and deliver this Security Agreement and perform its terms.

4. Restrictions on Future Agreements. Pangborn agrees that until the Liabilities and Borrower's Liabilities (as that term is defined in the Guaranty and Security Agreement) shall have been satisfied in full and the Loan Documents and the Guaranty Documents shall have been terminated, Pangborn shall not, without the prior written consent of Lender, sell or assign its interest in any Trademark or enter into any other agreement with respect to any Trademark which would affect the validity or enforcement of the rights transferred to Lender under this Security Agreement, provided that Pangborn can license the use of a Trademark in Lender's Commercially Reasonable (as defined in the Loan Agreement) discretion if such license is subject to the prior lien of Lender.

5. New Trademarks. Pangborn represents and warrants that, based on a diligent investigation by Pangborn, the Trademarks listed on Schedule A constitute all of the federally registered Trademarks, and federal applications for registration of Trademarks (other than "intent to use" applications until a verified statement of use is filed with respect to such applications) now owned by Pangborn. If, before Liabilities and Borrower's Liabilities shall have been satisfied in full or before the Loan Documents and the Guaranty Documents have been terminated, Pangborn shall (i) become aware of any existing Trademarks of which Pangborn has not previously informed Lender, or (ii) become entitled to the benefit of any Trademarks, which benefit is not in existence on the date hereof, the provisions of this Security

Agreement above shall automatically apply thereto and Pangborn shall give to Lender prompt written notice thereof. Pangborn hereby authorizes Lender to modify this Security Agreement by amending Schedule A to include any such Trademarks.

6. Term. The term of this Security Agreement shall extend until the payment in full of the Liabilities and Borrower's Liabilities and the termination of the Guaranty Documents and Loan Documents. Pangborn agrees that upon the occurrence and during the continuance of an Event of Default (as that term is collectively defined in the Loan Agreement and the Guaranty and Security Agreement), the use by Lender of all Trademarks shall be without any liability for royalties or other related charges from Lender to Pangborn.

7. Product Quality. Pangborn agrees to maintain the quality of any and all products in connection with which the Trademarks are used, provided that Pangborn shall not be obligated to maintain any products which, consistent with commercially reasonable business practices, are no longer necessary to or desirable in the conduct of its business. Upon the occurrence and during the continuance of an Event of Default, Pangborn agrees that Lender, or a conservator appointed by Lender, shall have the right to establish such additional product quality controls as Lender, or said conservator, in its reasonable judgment, may deem necessary to assure maintenance of the quality of products sold by Pangborn under the Trademarks.

8. Release of Security Agreement. This Security Agreement is made for collateral purposes only. Upon payment in full of the Liabilities and Borrower's Liabilities and termination of the Loan Documents and the Guaranty Documents, Lender shall take such actions as may be necessary or proper to terminate the security interests created hereby and pursuant to the Guaranty Documents

9. Expenses. All expenses incurred in connection with the performance of any of the agreements set forth herein shall be borne by Pangborn. All fees, costs and expenses, of whatever kind or nature, including reasonable attorneys' fees and legal expenses, incurred by Lender in connection with the filing or recording of any documents (including all taxes in connection therewith) in public offices, the payment or discharge of any taxes, reasonable counsel fees, maintenance fees, encumbrances or otherwise in protecting, maintaining or preserving the Trademarks or in defending or prosecuting any actions or proceedings arising out of or related to the Trademarks shall be borne by and paid by Pangborn and until paid shall constitute Liabilities.

10. Duties of Pangborn. Pangborn shall have the duty (i) to file and prosecute diligently any trademark applications pending as of the date hereof or hereafter until the Liabilities and Borrower's Liabilities shall have been paid in full and the Guaranty Documents and the Loan Documents have been terminated, (ii) to preserve and maintain all rights in the Trademarks, as commercially reasonable and (iii) to ensure that the Trademarks are and remain enforceable, as commercially reasonable, provided, that, the terms and provisions set forth in clauses (i), (ii) and (iii) of this Section 10 shall not impose an obligation on Pangborn to maintain or preserve any trademark applications or Trademarks that Pangborn, consistent with commercially reasonable business practices, believes is no longer necessary or desirable to the conduct of its business. Any expenses incurred in connection with the Liabilities under this Section 10 shall be borne by Pangborn.

11. Lender's Right to Sue. After the occurrence and during the continuance of an Event of Default, Lender shall have the right, but shall in no way be obligated, to bring suit in its own name to enforce the Trademarks and, if Lender shall commence any such suit, Pangborn shall, at the request of Lender, do any and all lawful acts and execute any and all proper documents required by Lender in its Commercially Reasonable discretion in aid of such enforcement and Pangborn shall promptly, upon demand, reimburse and indemnify Lender for all costs and expenses incurred by Lender in the exercise of its rights under this Section 11.

12. Waivers. No course of dealing between Pangborn and Lender, nor any failure to exercise, nor any delay in exercising, on the part of Lender, any right, power or privilege hereunder or under the Loan Documents or the Guaranty Documents shall operate as a waiver thereof; nor shall any single or partial exercise of any right, power or privilege hereunder or thereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

13. Severability. The provisions of this Security Agreement are severable, and if any clause or provision shall be held invalid and unenforceable in whole or in part in any jurisdiction, then such invalidity or unenforceability shall affect only such clause or provision, or part thereof, in such jurisdiction, and shall not in any manner affect such clause or provision in any other jurisdiction, or any other clause or provision of this Security Agreement in any jurisdiction.

14. Modification. This Security Agreement cannot be altered, amended or modified in any way, except as specifically provided in Section 5 hereof or by a writing signed by the parties hereto.

15. Cumulative Remedies; Power of Attorney; Effect on Guaranty Documents. All of Lender's rights and remedies with respect to the Trademarks, whether established hereby or by the Guaranty Documents, or by any other agreements or by law shall be cumulative and may be exercised singularly or concurrently. Pangborn hereby authorizes Lender upon the occurrence and during the continuance of an Event of Default, to make, constitute and appoint any officer or agent of Lender as Lender may select, in its sole discretion, as Pangborn's true and lawful attorney-in-fact, with power to (i) endorse Pangborn's name on all applications, documents, papers and instruments necessary or desirable for Lender in the use of the Trademarks or (ii) take any other actions with respect to the Trademarks as Lender deems to be in the best interest of Lender, or (iii) grant or issue any exclusive or non-exclusive license under the Trademarks to anyone, or (iv) assign, pledge, convey or otherwise transfer title in or dispose of the Trademarks to anyone. Pangborn hereby ratifies all that such attorney shall lawfully do or cause to be done by virtue hereof. This power of attorney shall be irrevocable until the Liabilities and Borrower's Liabilities shall have been paid in full and the Loan Documents and Guaranty Documents have been terminated. Pangborn acknowledges and agrees that this Security Agreement is not intended to limit or restrict in any way the rights and remedies of Lender under the Guaranty Documents but rather is intended to facilitate the exercise of such rights and remedies. Lender shall have, in addition to all other rights and remedies given it by the terms of this Security Agreement and the Guaranty Documents, all rights and remedies allowed by law and the rights and remedies of a secured party under the Uniform Commercial Code as enacted in Illinois.

16. Binding Effect; Benefits. This Security Agreement shall be binding upon Pangborn and its respective successors and assigns, and shall inure to the benefit of Lender, its successors, nominees and assigns.

17. Governing Law. This Security Agreement shall be governed by and construed in accordance with the laws of the State of Illinois and applicable federal law.

18. Headings. Paragraph headings used herein are for convenience only and shall not modify the provisions which they precede.

19. Further Assurances. Pangborn agrees to execute and deliver such further agreements, instruments and documents, and to perform such further acts, as Lender shall reasonably request from time to time in order to carry out the purpose of this Security Agreement and agreements set forth herein.

20. Survival of Representations. All representations and warranties of Pangborn contained in this Security Agreement shall survive the execution and delivery of this Security Agreement and shall be remade on the date of each borrowing under the Loan Documents.

[Signatures Follows on Next Page]

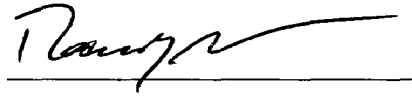
SIGNATURE PAGE TO
TRADEMARK SECURITY AGREEMENT

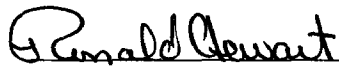
IN WITNESS WHEREOF, Pangborn has duly executed this Security Agreement as of the date first written above.

WITNESS/ATTEST:

PANGBORN:

PANGBORN CORPORATION



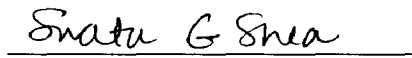
By:  (SEAL)
Ronald Stewart,
President and Chief Executive
Officer

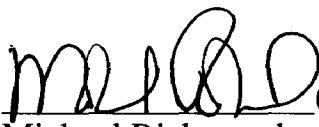
Agreed and Accepted By the Lender As of the Date First Written Above

WITNESS/ATTEST:

LENDER:

LASALLE BUSINESS CREDIT, LLC


Swata G. Shea

By:  (SEAL)
Michael Richmond,
Senior Vice President

SCHEDULE A TO
TRADEMARK SECURITY AGREEMENT

REGISTERED
TRADEMARK SCHEDULE

<u>Registration/Serial</u> <u>No.</u>	<u>Date Filed/Date</u> <u>Registered/</u>	<u>Trademark</u>	<u>Goods</u>
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See Attached.

TRADEMARK APPLICATIONS

<u>Trademark Application</u> <u>Description</u>	<u>U.S. Application No.</u>	<u>Date Applied</u>
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